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E.O. 12958: N/A

TAGS: KIDE CVIS ECON EINV NU

SUBJECT: RAMIRO CONTRERAS ESCOBAR: RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION RE SECTION 2225 VISA INELIGIBILITY.

REF: A. SECSTATE 219874

¶B. MANAGUA 00877
¶C. MANAGUA 2945

¶11. (SBU) The following comments are submitted in response to A EB/IFC/OIA request for additional details to supplement previously submitted Reftel C.

¶12. (SBU) Composition of Magnum Company: Corporacion Nucleos Urbanos Magnum, S.A. ("Magnum") ownership is divided equally among Barreto's father, mother and six adult brothers, according to mother Ligia Chamorro de Barreto and son Samuel Barreto. Brother Juan Diego Barreto is the only American citizen. Magnum created the Serranias housing development that was taken over by the Army in 1979.

¶13. (SBU) Abuse of Position: Ref B) page 13 describes how Contreras signed property documents on behalf of the Army. In a handwritten note to the Consulate dated November 2, 2005, Contreras states that his actions were performed in the service of the Army and not for individual gain. He "affirms and reaffirms" ("afirmo y reafirmo") that he never occupied, rented, possessed, or appropriated any property belonging to U.S. citizens. He adds that (property) claim resolution requests are not within his portfolio and should be made instead to the appropriate Nicaraguan authorities.

¶14. (SBU) In conversations with the Property Office on December 21, 2005, and January 3, 2006, Samuel Barreto stated that to his knowledge, Contreras' involvement with Lot 62 was as the representative who signed documents for the Army, and that Contreras did not benefit personally.

¶15. (SBU) Importance of Contreras in the Army: The January 1988 Revised Edition of Nicaraguan Biographies: A Resource Book. Special Report No. 174 (State Department Publication) characterizes Contreras as the "right-hand man" of Humberto Ortega. Contreras' influence during the takeover of the Serranias property would have derived from his relationship with Ortega and/or the FSLN's National Directorate's Tercerista faction circa 1979. The group advocated immediate violence in the framework of a broad tactical alliance with all anti-Somoza sectors of Nicaraguan society. In other words, while downplaying his own importance, Contreras appears to have enjoyed significant influence during the 1980s.

¶16. (SBU) Proximity, continued: While conferring with Property Office staff, Samuel Barreto Googled an article entitled "Notifax, The News of Nicaragua in Synthesis" for Monday June 9, 1997. The Notifax online compendium at notifax@ibw.com.ni (page 2 of 7 pages in both Spanish and English versions) sources El Nuevo Herald de Miami as the origin. The March 12, 1990 article describes a six-million dollar bank account deposit, with money allegedly divided

among the following persons: Humberto Ortega's wife, Ligia Trejos; the ex-Ambassador of Costa Rica in Nicaragua, Carlos Aguilar; Ortega assistant, Ramiro Contreras; assistant of General Joaquin Cuadra, Elizabeth Pinell; Caribbean Fruits Investment and an unnamed Honduran money exchange company.

¶7. (SBU) On December 21, 2005, Econoff, two Property Section lawyers and Samuel Barreto visited the Las Serranias development and inspected the properties (from the street), including Cuban, Russian and Magnum-controlled lots. Although valuable real estate, the houses are not luxurious and some have been abandoned. Maturing trees grow inside roofless rooms in one building. The property is no longer secured or fenced by the Army or anyone else. The complex is open to the public, includes a restaurant and has appreciation potential. Magnum has placed "For Sale" signs outside the lots it still owns. A "For Rent" sign is promiV:v|V;Lzobiliaria de Ahorro y Prestamo, a privately-owned savings and loan. Nationalized by the Sandinistas, it was converted into the Banco de la Vivienda de Nicaragua (BAVINIC), an FSLN-controlled housing bank. Although Magnum eventually paid off its outstanding property loans in full in the 1990s, the Army still retains 29 properties in the Serranias complex.

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